

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 SP-02 L-03 TRSE-00 EB-07 COME-00
CIAE-00 INR-07 NSAE-00 SS-15 NSC-05 /050 R

DRAFTED BY ARA/AND/P:ASCFULLER:MG
APPROVED BY ARA/AND/P:ASCFULLER
TRES:JJOHNSON (PHONE)
EB/OIA:DSTEBBING (PHONE)
ARA/ECP:DTAHEP (INFO)
L:SSCHWEBEL (INFO)
-----190723Z 087829 /10
R 182133Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY LIMA

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E.O. 11652:N/A

TAGS: EINV, BDIS, ENGR, PE

SUBJECT: GULF REACTION TO GOP COMPENSATION DECREE

REF: (A) LIMA 145; (B) LIMA 134; (C) GULF MEMO 11/10/76;
- (D) 76 LIMA 11455

SUBSTANCE OF REF A & B PASSED TO GULF WASHINGTON.
SUBSEQUENTLY, CLARIFICATION MADE TO GULF THAT SPECIFIC
RATHER THAN GENERIC DECREE BEING FORMULATED, WHEREBY
EXCHANGE RATE TO BE EMPLOYED IN CONVERTING COMPENSATION
PAYMENT TO GULF FROM SOLES TO DOLLARS WOULD BE 45 TO 1.

2. JANUARY 18 NESTOR ORTIZ, GULF WASHINGTON REP, INFORMED
DEPT. GULF WILLING TO ACCEPT DECREE AS DESCRIBED,
INCLUDING 45-1 EXCHANGE RATE AND DOLLAR FIGURE FOR
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COMPENSATION OF \$1.54 MILLION. WILL REFRAIN FROM
INSISTING ON PAYMENT OF INTEREST PROPERLY ASSESSABLE TO
COMPENSATION OWED GULF. BUT IN VIEW OF LONG PASSAGE OF
TIME, WISHES PAYMENT IN ONE LUMP SUM.

3. GULF ALSO INTERESTED IN A CLEAN, FINAL SETTLEMENT AND
WOULD ASK OF GOP:

(A) DELIVERY TO STOCKHOLDERS OF GULF DEL PERU OF

COMPENSATION FREE OF ANY TAXES OR CLAIMS OF GOP OR THIRD PARTIES.

(B) FORMAL TERMINATION OF NOMINAL OWNERSHIP INTEREST OF PRESENT STOCKHOLDERS AND ACKNOWLEDGEMENT THAT PETROPERU ASSUMES REMAINING ASSETS AND LIABILITIES OF GULF DEL PERU, INCLUDING RESPONSIBILITY FOR ANY COSTS RELATED TO LIQUIDATION OF LATTER. (SEE POINT 6 IN REF. C, PASSED TO GOP PER REF. D.)

(C) AGREEMENT ON PART OF GOP AND PETROPERU TO CHANGE NAME OF COMPANY TO ELIMINATE ANY REFERENCE TO GULF AND ABSTAIN FROM USE OF ANY NAME WHICH IMPLIES PARTICIPATION OF GULF IN OWNERSHIP, MANAGEMENT, SUPPLY OF PRODUCTS OR OTHER RELATIONSHIP WITH EX-GULF DEL PERU.

4. GULF FEELS THAT SETTLEMENT WHICH FAILS TO DEAL WITH ABOVE MATTERS COULD COMPLICATE AND DELAY FINALIZING OF IT. COMPANY REQUESTS THAT FOREGOING BE COMMUNICATED TO GOP IN ORDER THAT TOTAL AGREEMENT MIGHT BE REACHED PRIOR TO ISSUANCE OF DECREE LAW.

5. UNLESS EMBASSY FEELS COMMUNICATION OF GULF'S POSITION WILL POSE PROBLEMS TO GOP AND LEAD TO FURTHER DELAY IN FINAL SETTLEMENT, REQUEST IT RAISE MATTER WITH GOP. GULF DESIROUS OF SENDING TEAM TO LIMA TO LIMITED OFFICIAL USE

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CONCLUDE NEGOTIATIONS. PLEASE ADVISE.
KISSINGER

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: COMPENSATION, NATIONALIZATION, AGREEMENT DRAFT
Control Number: n/a
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Sent Date: 18-Jan-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
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